

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF EAST KENTUCKY	)	
POWER COOPERATIVE, INC. FOR	)	
AUTHORITY FOR THE ISSUANCE OF SOLID	)	
WASTE DISPOSAL REVENUE BONDS TO	)	CASE NO. 93-368
FINANCE CERTAIN ASH DISPOSAL	)	
FACILITIES AT ITS COOPER POWER	)	
STATION IN PULASKI COUNTY, KENTUCKY	)	

O R D E R

IT IS ORDERED that East Kentucky Power Cooperative, Inc. ("East Kentucky") shall file an original and 10 copies of the following information with the Commission, with a copy to all parties of record within 10 days from the date of this Order. Careful attention should be given to copied material to ensure that it is legible. Where information requested herein has been provided along with the original application, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

1. How does East Kentucky plan to pay for the difference between the total construction costs and the requested loan amount as shown in Exhibit B?

2. Identify all other lenders who were considered as a potential source for the proposed financing and explain why the proposed financing was preferable over each other source.

3. Provide an analysis showing that the borrowing from CFC is the most economical option as compared to the other sources.

4. In reference to Exhibit B:

a. Where is the 9% Debt Service Reserve Requirement ("DSRR") established?

b. Describe all of the terms and conditions of the DSRR.

c. Explain any restrictions on the uses of the DSRR.

d. Provide all documents not previously filed relating to the DSRR.

5. Explain the purpose of the Subordinated Term Certificates referenced in Exhibit C, page 2 of 2, and provide a narrative explanation of the terms and conditions.

6. East Kentucky's financial statements dated August 31, 1993 show temporary investments of \$70,346,566 and 12-month net margins of \$36,786,694. Explain why East Kentucky needs to maintain its cash reserves at these levels rather than using these funds for construction purposes.

7. In East Kentucky's application, the caption requests authority to issue solid waste disposal revenue bonds, whereas the last paragraph on page 3 requests authority to utilize bonds to be issued by Pulaski County.

a. Explain with specificity each evidence of indebtedness that East Kentucky is requesting authority to issue.

b. Explain all terms and conditions of any agreement between East Kentucky and: Pulaski County; CFC; REA; or any other lender.

8. Provide a complete explanation of the REA Lien Accommodation and all associated documentation.

9. Will the revenue bonds be sold through a public or private placement? If private placement is to be utilized, explain fully why this option was selected.

10. Provide all present value analyses that show semi-annual variable interest rates to be less costly than utilizing a fixed interest rate. Include and explain all assumptions in your response.

11. Is the variable interest rate convertible to a fixed rate? If yes, explain all terms and conditions for the rate conversion.

12. Are the revenue bonds redeemable prior to maturity? If yes, explain the terms and conditions of redemption.

13. Provide a schedule showing:

- a. the anticipated fees and expenses to be incurred in issuing the revenue bonds;
- b. the maximum amount of such fees and expenses; and
- c. the payees.

Done at Frankfort, Kentucky, this 17th day of November, 1993.

PUBLIC SERVICE COMMISSION

  
For the Commission

ATTEST:

  
Executive Director